

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7426

BILL NUMBER: HB 1253

NOTE PREPARED: Jan 19, 2007

BILL AMENDED: Jan 18, 2007

SUBJECT: Employment of Illegal Aliens.

FIRST AUTHOR: Rep. Tincher

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that: (1) a person who hires or employs an individual shall verify the individual's Social Security number using the Social Security Number Verification System; and (2) a person who hires an individual shall not continue to employ the individual after learning that the individual is an illegal alien. The bill allows certain persons to bring civil actions against a person who hires illegal aliens.

The bill also provides that a public services contract is void if the contractor providing the services hires or employs illegal aliens unless the state or political subdivision determines that voiding the contract would be detrimental to the public interest or public property. It also provides that a person who has hired an illegal alien in the previous five years is not eligible for any state or local economic development incentives.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) This bill allows a person who loses: (1) their job as a result of the person's hiring or employing of an illegal alien, or (2) a contract to the person who hires or employs an illegal alien; to bring a civil action against a person who employs an illegal alien. Under the bill, a person is defined as an individual, a corporation, a limited liability company, a partnership, or another legal entity.

Court Fee Revenue: If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed

in a city or town court. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

If a person has hired or employed an illegal alien in the previous five years, as determined in a civil action brought under the bill, the person is not eligible for any state or local economic development incentives, including: a state tax liability credit; a property tax deduction; an enterprise zone incentive or benefit; a loan, loan guarantee, grant, distribution, contract payment, incentive, or any other benefit from or payment of expenses by the Indiana Finance Authority, the Indiana Economic Development Corporation, or any other state agency or body corporate and politic; an incentive or other benefit under any of the following tax increment finance statutes: airport development zones, redevelopment commissions, redevelopment authorities, redevelopment of areas in Marion County, and military base reuse authorities.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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